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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/064,745	08/12/2002	James R. Birle JR.	MLCO.P002	6610

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EXAMINER	
APPLE, KIRSTEN SACHWITZ	
ART UNIT	**PAPER NUMBER**
3628	

DATE MAILED: 04/20/2006

Please find below and/or attached an Office communication concerning this application or proceeding..

Office Action Summary	Application No.	Applicant(s)	
	10/064,745	BIRLE ET AL.	
	Examiner	Art Unit	
	Kirsten S. Apple	3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *12 August 2002*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-95* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-95* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☒ The drawing(s) filed on *30 March 2006* is/are: a)☒ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date 6-3-03/ 7-14-03/ 10-10-03/ 4-29-03/ 12-12-03/ 01-09-04/ 05.24.03/ 03-12-03/ 3-20-06/ 8-12-02/ 2-7-03.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

Detailed Action

This action is in response to the application filed on 08/12/2002.

Priority

Acknowledgment is made of applicant's claim for prior priority date of U.S. Provisional Patent Application 60/311,574 filed on 08/10/2001.

Double Patenting

A rejection based on double patenting of the "same invention" type finds its support in the language of 35 U.S.C. 101 which states that "whoever invents or discovers any new and useful process ... may obtain a patent therefor ..." (Emphasis added). Thus, the term "same invention," in this context, means an invention drawn to identical subject matter. See *Miller v. Eagle Mfg. Co.*, 151 U.S. 186 (1894); *In re Ockert*, 245 F.2d 467, 114 USPQ 330 (CCPA 1957); and *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970).

A statutory type (35 U.S.C. 101) double patenting rejection can be overcome by canceling or amending the conflicting claims so they are no longer coextensive in scope. The filing of a terminal disclaimer cannot overcome a double patenting rejection based upon 35 U.S.C. 101.

Claims 1-95 provisionally rejected under 35 U.S.C. 101 as claiming the same invention as that of claims 1-95 of copending Application No. 10/476,705. This is a provisional double patenting rejection since the conflicting claims have not in fact been patented.

Regarding claim 1, the identical language within this claim can be found within claim 1 of U.S. Patent Application 10/476,705.

The same is found for claims 2-95.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1- 95 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

In particular, at least the independent claims recite, "promising, pursuant to the financial instrument"

In particular claim 8 is indefinite and vague, by promising nothing is actually happening.

For the purposes of this review the examiner will interpret the claims to strike out the statement "promising, pursuant to the financial instrument" everywhere it appears. ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 10-25 & 35-43 & 52-59 & 62-75 & 84-90 & 92 & 95 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. In particular, at least the independent claims recite a "financial instrument" or an "offering document."

Corrective action to Claims 10-25 & 35-43 & 52-59 & 62-75 & 84-90 & 92 & 95 are required.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1-95 are rejected under 35 U.S.C. 103(a) as being unpatentable over Roberts (U.S. Patent 4,648,038) in view of HLR (Harvard Law Review, June 1991) **Re claim 1:** Roberts discloses:

A method, comprising:

Issuing the financial instrument (see Roberts, Abstract, line 5, "creates a series") indicative of a principal amount at maturity and receiving an issue price (see Roberts, Abstract, line 7, "equivalent to") therefore

Converting the instrument upon request (see Roberts, title, "restructuring")

Note the addition information not listed above that was contained in Claim 1 (in particular, details after "promising") have been interpreted as "intended use only" and therefore do not need to be found directly in the prior art reference.

Although Roberts does not have a mandated conversion, HLR claims "mandated automatic conversion" (HLR, page 1870, line 2).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to add mandated conversion as taught in HLR to Roberts. It is clear that one would be motivated to better balances capital structure of a firm.

Re claim 2: Roberts discloses:

The predetermined relationship = a predetermined function of the market price of the instrument > 120% of the instrument's accreted value (see Roberts, Figure 5, Item 523. Note although Roberts does not specify 120% the same

predetermined function is utilized with an implied 100%. Also see HLR page 1870, line 2, "mandate automatic conversion")

Re claim 3: Roberts discloses:

Predetermined function of the market price = average market price for a measurement period (see Roberts, Figure 4, Item 418. Also see HLR page 1870, last line, "market value"))

Re claim 4: HLR discloses:

Time interval = 6 months (see HLR page 1870, last line, "dollar market value" assumed to be a defined time interval)

Re claim 5: HLR discloses:

Amount of the payment is selected to be the great of:

an amount of any dividend per share of the stock in the interval multiplied by the number of shared of stock into which the instrument may be converted (see HLR page 1870, last line, "dollar face value")

A predetermined percentage of the average market price of the instrument for the measurement period (see HLR page 1870, last line, "dollar market value")

Re claim 6: Roberts discloses:

Payment is over time (see Roberts, Column 1, line 13, "a series of cash payments")

Re claim 7: Roberts discloses:

Payment is made by adjusting the principal amount (see Roberts, Column 1, line 41, "principal amount")

Re claim 8: Roberts discloses:

Amount of payment is determined as a function of a value selected from the set consisting of:

Such dividends as holders of the underlying security would normally receive (see Roberts, Figure 4, Item 418)

A value of a predetermined index

A value of a reference security

A value of a pool of securities

A value of a pool of indices

A value of a pool of securities and indices

Re claim 9: Roberts discloses:

A method, comprising:

Taking a tax deduction based upon a yield at which the issuer would issue a fixed-rate nonconvertible debt instrument comparable to the financial instrument. (Roberts, Figure 1A, Item 105)

Re claim 10-95:

The method claims 1-8 are similar to the article claims 10-17.

The method claims 1-8 are similar to the article claims 18-25.

The method claims 1-9 are similar to the article claims 26-34.

The method claims 1 - 8 are similar to the article claims 35 -43.

The method claims 1-8 are similar to the method claims 44-51.

The method claims 1-8 are similar to the article claims 52-59.

The method claims 1-8 are similar to the article claims 52-59.

The method claims 1-2 are similar to the method claims 60-61.

The method claims 1-4 & 6-8 are similar to the article claims 62-65 & 66-68.

The method claims 1-4 & 6-8 are similar to the article claims 69-72 & 73-75.

The method claims 1 are similar to the article claims 76.

The method claims 1-4 & 6-8 are similar to the article claims 77-80 & 81-83.

The method claims 1-4 & 6-8 are similar to the method claims 84-87 & 88-90.

The method claim 1 is similar to the method claims 91.

The method claim 1 is similar to the method claims 92.

The method claims 1 & 9 are similar to the method claims 93 & 94.

The method claim 1 is similar to the method claims 95.

It would be obvious to one of ordinary skill in the art that these claim have similar limitation. Therefore, claims 10-95 are rejected based on the information provided regarding claims 1-9.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Nieboer et al., U.S. Patent No 7,024,387, discloses conditional order transactions.

Nieboer et al., U.S. Patent No 6,418,419, discloses conditional order transactions.

Lange, US Patent 6,321,212, teaches demand based adjustable returns.

Lange, US Patent Publication 2002/0099640 A1, teaches demand based and trading exchanges.

Contact Information

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Kirsten S. Apple whose telephone number is

571.272.5588. The examiner can normally be reached on Monday - Friday 7:30-6:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Sam Sough can be reached on 571.272.6799. The fax phone number for the organization where this application or proceeding is assigned is 571.272.6126. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

ksa

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